MODERNIZATION THROUGH SPARES CONFERENCE
LOGISTICS SUSTAINMENT STRATEGIES WORKGROUP
SUMMARY

The objective of the Logistics Sustainment Strategies Workgroup was to examine logistics concepts in relation to the goals of Modernization Through Spares (MTS). We accomplished this objective by addressing the effect of performance based specifications on existing maintenance and supply concepts; alternative maintenance and supply concepts such as Logistics Centers of Excellence and Contractor Logistics Support; and tools to evaluate the effect, efficiency, and economics of making a change. Each of these discussion topics was followed by a summation of barriers, considerations, environment, and recommendations.

The use of spares to modernize systems can reduce cost, improve performance, avoid obsolescence, leverage technology, and meet changing user requirements; however, sustainment considerations need to be addressed with each candidate. These considerations include: cost vs reliability, life cycle cost, buy vs overhaul, component vs next higher assembly, organic vs contractor logistic support, system density, component criticality, how to procure, and when to implement, as well as the standard sustainment considerations of the effects on training, technical manuals, and spare/repair parts.

Potential barriers to implementing MTS identified were laws and policy (US Code Title 10, Section 2466 Depot 60/40 Law, Competition in Contracting Act, FAR Part 6, DODD 5000.2), paradigms, and resources. The laws, policies, and paradigms drive the bureaucracy required for approval to go “outside the box” for sustainment. Contractor Logistics Support (CLS) should be considered up front as a viable support strategy, but instead justification is required to do something other than the norm. It may not always be feasible to use performance based specifications for reprocurements, based on financial and time constraints. Managers need the latitude to be flexible in terms of each candidate. Diminishing resources is a potential barrier because money is required to save money. We need the US Government Research, Development, and Engineering Centers and Depots to develop more efficient processes, evaluate emerging technology, and address horizontal technology insertion and digitization across multiple systems. We need contractors to develop more efficient processes as well and

to focus on the modularity approach to major assembly/subassembly replacement.

The methodology for achieving MTS is through a disciplined process for identifying candidates based upon performance, cost, emerging technology, and user requirements. Each problem/deficiency may not require a hardware change; therefore, a process is required to screen the candidates. All functional disciplines (program management, budget analysts, design engineers, logisticians, quality engineers, and configuration managers) need to be involved in this screening process to properly address all considerations. Modernization Through Spares should also be addressed in the acquisition baseline and contracting strategy because open architecture/modularity, use of Commercial off the Shelf/Nondevelopmental Item (COTS/NDI) components, sustainment strategy/support concept, and multi-year contracts/incentive fee contracts are prerequisites to successfully achieving the goals of MTS. Our workgroup felt that contractor buy-in is required to reduce cost, improve performance, and meet user needs. Contractors need to feel a sense of longevity to more proportionately share the risk associated with making the change.

In summary, our workgroup agreed that the use of spares of modernize systems is a novel concept and can be used throughout the system life cycle to reduce cost and improve performance; however, we viewed it as much larger than spares alone. Modernization Through Spares includes the infrastructure in terms of acquisition baseline, contract strategy, and Integrated Product Teams to implement the process. It is a systems approach along with the necessary “hooks” for an open architecture design. And last, but not least it is the sustainment strategy/support concept. Total organic support or total contractor support may not provide the best support—a hybrid approach may be required. Logistics Centers of Excellence and Electronic Sustainment Support Centers are comprised of a combination of military, depot, and contractor personnel performing forward repair and supply functions. These centers have shown stellar performance in reducing costs and downtime.